



HINDUJA HOUSING FINANCE

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE Version 1.0

Version Tracker			
Particulars	Date	Approved by	Version
Policy approved on	24 th April, 2017	Board	Version 1.0
Annual review	9 th November, 2018	Board	Version 1.0
Annual review	4 th November, 2019	Board	Version 1.0



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As a part of Hinduja Group and being a subsidiary of Hinduja Leyland Finance Limited, the Company's philosophy on Corporate Governance, the Company's corporate governance standards demonstrate strong commitment to values, ethics and business conduct.

NATIONAL HOUSING BANK (NHB) DIRECTIONS ON CORPORATE GOVERNANCE

In view of public interest and for the purpose of enabling better regulation over the housing finance Companies, the NHB has issued Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 on 9th February, 2017. In pursuance to the aforesaid directions, the Company has framed the following internal Guidelines on Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company. The Board's strength is required to be a minimum of three to a maximum of fifteen directors. All the Directors shall make the necessary annual disclosure regarding their directorships and Committee positions and shall intimate changes as and when they take place.

BOARD MEETINGS

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of four months between any two consecutive meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors.

CODE OF CONDUCT

The Company shall adopt Code of Conduct for its Directors and senior management personnel. The same shall be posted on the Company's web-site, if any.



COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting. The Board of Directors have set up the following committees with specific terms of reference as approved by the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Asset Liability Management Committee

MD/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company shall make the necessary certifications regarding the Financial Statements, Internal Controls, etc. to the Board.

COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer of the Company.

ROTATION OF PARTNERS OF THE STATUTORY AUDITORS AUDIT FIRM

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the Company continuously for more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides. The Company shall also incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

POLICIES ADOPTED BY THE BOARD

The following policies have been framed and adopted by the Board, viz.

- Asset Liability Management Policy
- Credit / Loan Policy
- Information Technology Policy & Information Security Policy
- KYC Policy



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- Risk Management Policy
- Investment Policy
- Fair Practices Code
- Whistle Blower Policy
- Policy on fit and proper criteria for directors
- Code of conduct for Directors and Senior Management Personnel

The abovementioned policies shall be reviewed at least once in a year.